

year. The Council of Economic Advisers predicted that will cost the country 600,000 jobs.

What else happens? A treaty that will make Americans safer goes nowhere, a treaty supported by the entire military leadership and endorsed yesterday by the Secretaries of State of the last five Republican Presidents. Without the START treaty, there are more nuclear weapons than there should be, we know less about the Russian nuclear arsenal than we need to, and Americans are less safe.

Here is one more consequence of the Republican ultimatum: Thousands of first responders who rushed to Ground Zero on 9/11 got terribly sick from the toxins there. The longer Republicans stall, the longer these heroes have to wait for the health care and compensation they deserve.

Why are tens of thousands of unemployed Nevadans at risk of losing their lifeline? Why is Nevada at risk of losing jobs when we are desperate to create them? Why is the START treaty stalled? Why are the 9/11 heroes still sick with nowhere to turn? Each of these questions has the same answer—because Republican Senators want to give their richest friends a tax break they don't need, many don't want, and none of us can afford.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

Mr. REID. I suggest the absence of quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak in morning business for as much time as I consume.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. Mr. President, would my friend, the distinguished chairman of the Finance Committee, yield?

Mr. BAUCUS. Sure.

The ACTING PRESIDENT pro tempore. The majority leader.

VOTES TOMORROW

Mr. REID. Mr. President, I think it is appropriate that everyone be notified

there will be no rollcall votes today. We are still working on what time it will be tomorrow. But we, as everyone knows and I have said here—this is the third time—we were within inches of having something worked out on having votes today, but for reasons I do not fully understand, the Republicans did not agree to that at the last minute, and now we have to figure out what time we are going to vote tomorrow. If we cannot work it out by consent, then, of course, we will do it 1 hour after we come in, which is the rule. We have competing interests. We have people who want it late tomorrow. We have people who want it early tomorrow. So we will try to see what we can do to work through that.

Again, I appreciate my good friend for yielding.

Mr. BAUCUS. Mr. President, I thank the leader for all his very hard work. Nobody is working harder than the leader to try to work out the schedule so we can address these issues, and we all thank him.

MIDDLE-CLASS TAX CUTS

Mr. BAUCUS. Mr. President, the textbook definition of "economics" is about scarcity. For example, in his textbook "Principles of Economics," President Bush's chief economic adviser, Gregory Mankiw, wrote this:

Economics is the study of how society manages its scarce resources.

We could say the same thing about fiscal policy. Fiscal policy is about how society, acting through its government, chooses to allocate scarce resources. There is not an endless supply of money. We have to make choices. Every time we put together a budget, we have to make choices. Every time we formulate the Nation's tax policy, we have to make choices.

So when it comes to whether to extend the 2001 tax cuts, once again, we have to make choices. It is a question of priorities. The debate over what to do about the 2001 and 2003 tax cuts for those with the highest incomes is a debate about priorities.

Are we better off devoting scarce resources to a larger tax cut for those at the very top or are we better off devoting those scarce resources to new tax incentives to promote investment and create new jobs or are we better off devoting those scarce resources to reducing the Federal budget deficit and debt? Those are the choices we need to make.

Today, the Senate is considering how we should make those choices. The amendment we have offered says basically: Let's make the middle-class tax cuts permanent. That is something on which pretty much everyone in this Chamber should agree. After we have cut taxes for middle-class Americans, then let's have an honest debate. Let's debate whether extending tax cuts for the very top incomes is the right priority.

But, in any case, making middle-class tax cuts permanent is the right

thing to do. Let's not allow tax cuts for middle-class Americans to be held hostage to partisan wrangling about tax cuts for those who make the very most.

So how did we come to this choice? Let me take a few moments to review how we got here.

In 2001, Congress enacted legislation to let American families keep more of their money. Many of these tax incentives were phased in over several years. In 2003, Congress enacted legislation adding new tax incentives and speeding up implementation of the 2001 law.

The 2001 and 2003 tax laws lowered tax rates for all taxpayers, and those laws provided much needed tax relief for families, education, and small business. Many of these tax provisions have broad support across the political spectrum. But these tax benefits are not permanent. Beginning on January 1, all these 2001 and 2003 tax cuts expire, even those for Americans who need them the most.

At the same time, the Federal debt is at its highest level since shortly after World War II, and our fiscal challenges are growing with the retirement of the baby boom generation. The amendment we consider today responds to both these challenges.

So what would our amendment do? First, our amendment would extend tax cuts for middle-class American families. Our amendment would permanently extend the lower tax rates for income up to \$250,000 for married couples and \$200,000 for individuals.

Extending these lower tax rates would benefit all taxpayers—all taxpayers—including higher income taxpayers. In fact, higher income taxpayers would receive the largest tax benefits in terms of dollars per taxpayer. That is, of course, because we have our marginal tax rate system in America. So making the tax cut permanent for all taxes of Americans below \$250,000 will benefit all Americans—not only those below \$250,000, but those above \$250,000, will, under this amendment, get a benefit. As I said, in fact, higher income taxpayers receive the largest tax benefits in terms of dollars per taxpayer, even under the \$250,000 amendment.

Our amendment would make permanent the provisions that help working families with children. The number of people living in poverty is at a 15-year high. One out of every five American children lives in poverty. Many of these provisions in our amendment would help keep children and their families out of poverty.

The amendment would make permanent the expanded earned-income tax credit for families with three or more children. The increased tax credit provides more help to families with children. The partially refundable portion of the credit allows families to receive a benefit even when their tax liability is low, as long as the family has earned income of more than \$3,000.

This credit helps to support 13 million children in low-income working